

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2009

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

OPERATING REPORT

Branch Committee of Management report in accordance with section 254 of the Workplace Relations Act 1996 for the year ended 31 March 2009.

Principal Activities

The principal activity of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch was that of a registered Trade Union.

The principal activities of the Union during the past year fell into the following categories:

- Promoting the interests of Telecommunications and Postal workers.
- Implementing the decisions of the Divisional Branch Committee of Management, Divisional Executive, Divisional Conference and National Council.
- Implementing the union's organising & industrial agenda, including direct assistance and strategic advice to members, assistance to members on planning and resourcing campaigns, bargaining, training and development of shop stewards and officials.
- Support and representation of individual member grievances, advice on legal and legislative matters.
- Lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to Telstra workers.
- Management of the Unions financial and membership systems.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

Operating Result

The operating deficit of the Branch for the financial year was \$236,081.

Significant Changes

No significant changes in the Union's state of affairs occurred during the financial year. No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Rule 11 of the Union's rules and Section 174 of the Workplace Relations Act 1996, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union. In accordance with section 174(1) of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Superannuation Office Holders

Branch Secretary, Ian McCarthy is a trustee of the Telstra Superannuation Scheme.

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POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

OPERATING REPORT (Cont'd)

Membership Numbers

- (1) Under section 230 of the RAO Schedule the number of persons recorded in the register of members and who under section 244 of the RAO Schedule are taken to be members of the Branch of the Union as at the 31 March 2009 was 1,747.
- (2) The number of persons, both full-time and part time employees measured on a full-time basis, employed by the Branch of the Union as at 31 March 2009 was six (6).
- (3) The names of persons who have at any time during the financial year ending 31 March 2009 been members of the CEPU T&S NSW Branch Committee of Management are detailed below. All such persons served on the committee for the period 1 April 2008 to 31 March 2009 unless otherwise indicated.

Executive:

Branch President: Lloyd Harris
Branch Vice Presidents (technical): Glenn Falls and Lee Walkington
Branch Vice President (operator): (VACANT)
Branch Secretary: Ian McCarthy
Branch Assistant Secretary: Vivette Horrex

Operator Division:

Colleen Crilley
Mona Rababeh
Louise Wilson

Technical Division:

Peter Banner
Randall Bye
Colin Cooper
John Duffey
Peter Hayes
Rod Inglis (until 16 August 2008)
Alex Jansen
Les Tapuska
Jeremy Wheeler

For and on behalf of the Committee of Management

IAN MCCARTHY
BRANCH SECRETARY
September 2009

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT

On August 2009 the Branch Committee of Management of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 March 2009.

The Branch Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 31 March 2009;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 March 2009 and since the end of the financial year:
 - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or registrar under section 272 of the RAO Schedule; and
 - (vi) no order for inspection of the financial records was made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 31 March 2009 the branch did not participate in any recovery of wages activity.

For the Branch Committee of Management:

IAN MCCARTHY
BRANCH SECRETARY
September 2009

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

GENERAL ACCOUNT

	2009	2008
	\$	\$
INCOME		
Members' Dues	696,956	763,157
Director's Fees	35,000	30,378
Levy – Your Rights @ Work	-	2,248
Interest	19,856	370
Sundry Income	188	-
Donations	580	-
TOTAL INCOME	<u>752,580</u>	<u>796,153</u>
EXPENDITURE		
Depreciation		
Furniture and Equipment	<u>8,525</u>	<u>9,300</u>
Employee Benefits Expenses		
Accrued Annual Leave – (Decrease) Increase in Provision	(3,771)	6,463
Fringe Benefits Tax	782	3,450
Long Service Leave – (Decrease) Increase in Provision	(27,617)	41,310
Payroll Tax	18,111	21,826
Superannuation	45,361	47,805
Salaries – Industrial	59,197	64,059
- Administration	112,859	107,399
- Office Bearers	133,288	160,581
	<u>338,210</u>	<u>452,893</u>
Other Expenses		
Affiliation Fees	27,121	17,054
Bad and Doubtful Debts	1,412	-
Bank Charges	11,987	11,978
Branch Assistance	-	845
Building Maintenance	932	726
Campaigns – Your Rights @ work	-	9,751
Cleaning	21,630	16,606
Collection Commissions	626	855
Computer Expenses	16,299	16,917
Divisional Conference Dues	157,117	172,831
Donations	20	20
Electricity	4,454	6,174
Carried Forward	<u>241,598</u>	<u>253,757</u>

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

GENERAL ACCOUNT

	Note	2009 \$	2008 \$
EXPENDITURE (Cont'd)			
Brought Forward		241,598	253,757
Equipment Rental and Maintenance		14,490	10,412
Insurance		7,799	9,526
Meeting, Seminar and Lecture Expenses		2,619	4,626
Motor Vehicle Running Expenses		14,023	5,195
National Council Dues – CEPU		873	-
Office Amenities		1,413	1,265
Office Rent		41,325	-
Organising Expenses - Fares and Car Hire		1,728	18,873
- Travelling		4,919	3,931
- Meals		-	730
Postage and Freight		10,647	13,542
Printing, Stationery & Website		98,364	64,809
Professional Services	8	55,128	22,744
Publications and Subscriptions		215	1,805
Rates and Levies		78,773	81,104
Sundry Expenses		848	2,380
Telephone		21,398	25,712
		<u>596,160</u>	<u>520,411</u>
TOTAL EXPENDITURE		<u>942,895</u>	<u>982,604</u>
DEFICIT FOR YEAR BEFORE SIGNIFICANT ITEM		(190,315)	(186,451)
SIGNIFICANT ITEM			
Impairment of Land and Buildings		-	434,969
Loss on Sale of Land & Buildings		45,831	-
DEFICIT FOR YEAR		<u>(236,146)</u>	<u>(621,420)</u>

(The attached Notes form part of the financial report.)

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

SPECIAL FUND ACCOUNT

	2009	2008
	\$	\$
INCOME		
Interest Received	<u>65</u>	<u>82</u>
TOTAL INCOME	<u>65</u>	<u>82</u>
EXPENDITURE		
Bank Charges	<u>-</u>	<u>-</u>
TOTAL EXPENDITURE	<u>-</u>	<u>-</u>
SURPLUS FOR YEAR	<u>65</u>	<u>82</u>

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POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	1,195,730	64,092
Receivables	5	33,999	64,674
Non-current asset classified as held for sale	6(a)	<u>-</u>	<u>1,600,000</u>
Total Current Assets		<u>1,229,729</u>	<u>1,728,766</u>
Non Current Assets			
Special Fund Loan to General Account		58,314	58,314
Property Plant and Equipment	6(b)	<u>17,920</u>	<u>18,457</u>
Total Non Current Assets		<u>76,234</u>	<u>76,771</u>
TOTAL ASSETS		<u>1,305,963</u>	<u>1,805,537</u>
LIABILITIES			
Current Liabilities			
Provision for Annual Leave		39,998	43,769
Provision for Long Service Leave		84,831	112,448
Payables	7	<u>189,347</u>	<u>421,452</u>
Total Current Liabilities		<u>314,176</u>	<u>577,669</u>
Non Current Liabilities			
General Account Loan from Special Fund Account		<u>58,314</u>	<u>58,314</u>
Total Non Current Liabilities		<u>58,314</u>	<u>58,314</u>
TOTAL LIABILITIES		<u>372,490</u>	<u>635,983</u>
NET ASSETS		<u>933,473</u>	<u>1,169,554</u>
ACCUMULATED FUNDS			
General Account		851,584	1,087,730
Special Fund Account		<u>81,889</u>	<u>81,824</u>
		<u>933,473</u>	<u>1,169,554</u>

(The attached Notes form part of the financial report.)

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POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 MARCH 2009**

	Accumulated Funds General Account	Accumulated Funds Special Fund Account	Total Accumulated Funds
	\$	\$	\$
Balance at 1 April 2007	1,709,150	81,742	1,790,892
Net (Deficit) Surplus for Year	<u>(621,420)</u>	<u>82</u>	<u>(621,338)</u>
Balance at 31 March 2008	1,087,730	81,824	1,169,554
Net (Deficit) Surplus for Year	<u>(236,146)</u>	<u>65</u>	<u>(236,081)</u>
Balance at 31 March 2009	<u>851,584</u>	<u>81,889</u>	<u>933,473</u>

(The attached Notes form part of the financial report.)

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		696,956	763,157
Payments to Suppliers and Employees		(1,164,676)	(844,222)
Interest Received		17,409	452
Other		35,768	32,626
NET CASH (USED IN) OPERATING ACTIVITIES	9(b)	<u>(414,543)</u>	<u>(47,987)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Proceeds from Sale of Property		1,554,169	-
Payment for Assets		<u>(7,988)</u>	<u>(2,710)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>1,546,181</u>	<u>(2,710)</u>
NET INCREASE (DECREASE) IN CASH HELD		1,131,638	(50,697)
Cash at Beginning of Year		<u>64,092</u>	<u>114,789</u>
CASH AT END OF YEAR	9(a)	<u>1,195,730</u>	<u>64,092</u>

(The attached Notes form part of the financial report.)

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POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act, 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 “Segment Reporting” does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 “Impairment of assets”

BASIS OF PREPARATION

The financial report is for the entity Communications, Electrical, Electronic, Energy, Information, Postal Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch as an individual entity. The Communications, Electrical, Electronic, Energy, Information Postal Plumbing & Allied Services Union of Australia is an organisation registered under the Workplace Relations Act, 1996. The New South Wales Telecommunications and Services Branch is a Branch of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The following is a summary of the significant accounting policies adopted by the branch in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

Members' Dues are accounted for on a cash receipts basis.

Directors Fees that any union official receives as a result of their position at the union are accounted for on a cash receipts basis.

(b) Income Tax

No provision for Income Tax is necessary as the branch is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the branch commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Office Furniture and Equipment	5% - 33%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for profit organisation.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST.

(g) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

	2009	2008
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash on Hand – Petty Cash	1,430	1,280
Cash at Bank		
- General Account	155,189	39,302
- Special Fund Account	23,575	23,510
Term Deposit	<u>1,015,536</u>	<u>-</u>
	<u>1,195,730</u>	<u>64,092</u>

5. RECEIVABLES
Current

Accrued Interest	2,512	-
CEPU T&S Branch Victoria	-	1,000
Other	31,487	43,987
Prepayments	<u>-</u>	<u>19,687</u>
	<u>33,999</u>	<u>64,674</u>

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

6. PROPERTY, PLANT AND EQUIPMENT

	2009	2008
	\$	\$
(a) Non-current asset classified as held for sale		
Land and Buildings		
Strata Title Units Nos 2, 3 and 4		
741 George Street, Sydney NSW 2000	<u>-</u>	<u>1,600,000</u>

On 8 September 2008 the branch exchanged contracts for the sale of the property for \$1,600,000 (plus GST). At that time a deposit of \$160,000 was received. The balance of \$1,440,000 (plus GST) was paid on settlement date, being 7 November 2008.

(b) PROPERTY, PLANT AND EQUIPMENT

Office Furniture and Equipment		
Cost	105,365	97,377
Less Accumulated Depreciation	<u>(87,445)</u>	<u>(78,920)</u>
	<u>17,920</u>	<u>18,457</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>17,920</u>	<u>18,457</u>

MOVEMENTS IN CARRYING AMOUNTS

	Office Furniture and Equipment
Balance at 1 April 2008	18,457
Additions	7,988
Disposals	-
Depreciation	<u>(8,525)</u>
Balance at 31 March 2009	<u>17,920</u>

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

	2009	2008
	\$	\$
7. PAYABLES		
CEPU Divisional Conference	21,390	148,720
CEPU National Council	-	23,018
Other Creditors	<u>167,957</u>	<u>249,714</u>
	<u>189,347</u>	<u>421,452</u>
8. PROFESSIONAL SERVICES		
Audit Fees	22,325	18,025
Accounting Fees	32,803	3,143
Legal Fees	<u>-</u>	<u>1,576</u>
	<u>55,128</u>	<u>22,744</u>
9. CASH FLOW INFORMATION		
(a) For the purposes of the Cash Flow Statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank		
General Account	155,189	39,302
Special Fund Account	23,575	23,510
Cash on Hand	1,430	1,280
Term Deposit	<u>1,015,536</u>	<u>-</u>
	<u>1,195,730</u>	<u>64,092</u>

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POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

9. CASH FLOW INFORMATION (Cont'd)

**(b) Reconciliation of Cash Flow from Operations
with Net (Deficit)**

Net (Deficit)

General Fund	(236,146)	(621,420)
Special Fund	65	82
Total Net (Deficit)	(236,081)	(621,338)

Non-Cash Flows in Net (Deficit)

Depreciation	8,525	9,300
Impairment Loss - Land and Buildings	-	434,969
Loss on Sale of Land & Buildings	45,831	-

Changes in Assets and Liabilities

(Decrease) Increase in Employee Entitlement Provisions	(31,388)	47,773
Decrease (Increase) in Sundry Debtors	13,500	(2,978)
Decrease (Increase) in Prepayments	19,687	(19,687)
(Increase) in Accrued Interest	(2,512)	-
(Decrease) Increase in Sundry Creditors	(232,105)	103,974
CASH FLOWS FROM OPERATIONS	(414,543)	(47,987)

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

10. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The branch is exposed to risks that arise from its use of financial instruments. This note describes the branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The branch's financial instruments consist mainly of deposits with banks, trade receivables and payables. The main risks the branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The branch committee of management has overall responsibility for the determination of the branch's risk management objectives and policies and whilst retaining ultimate responsibility for them, the branch committee of management make investment decisions after considering appropriate advice.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the branch.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	Note	2009	2008
		\$	\$
CEPU T&S Branch Victoria	5	-	1,000
Other	5	31,487	43,987
Total loans and receivables		<u>31,487</u>	<u>44,987</u>

There has been no history of default and all receivables are likely to be repaid within the expected terms.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) *Liquidity Risk*

Liquidity risk is the risk that the branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The branch is exposed to this risk; however at 31 March 2009 it had \$1,195,730 (\$64,092 – 2008) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 March 2009 totalled \$189,347 (\$421,452 -2008).

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) *Interest Rate Risk*

The branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 March 2009	Fixed interest rate	Floating interest rate	Non interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash	1,015,536	178,764	1,430	1,195,730
Receivables			31,487	31,487
	<u>1,015,536</u>	<u>178,764</u>	<u>32,917</u>	<u>1,227,217</u>
Weighted average Interest rate	4.30%	0.35%		
Financial Liabilities				
Payables	-	-	189,347	189,347
Net Financial Assets/(Liabilities)	<u>1,015,536</u>	<u>178,764</u>	<u>(156,430)</u>	<u>1,037,870</u>
31 March 2008				
Financial Assets				
Cash	-	62,812	1,280	64,092
Receivables	-	-	44,987	44,987
	<u>-</u>	<u>62,812</u>	<u>46,267</u>	<u>109,079</u>
Weighted average Interest rate		0.28%		
Financial Liabilities				
Payables	-	-	421,452	421,452
Net Financial Assets/(Liabilities)	<u>-</u>	<u>62,812</u>	<u>(375,185)</u>	<u>(312,373)</u>

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk

Sensitivity Analysis

2009	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash Assets	1,194,300	11,943	(11,943)
2008	Carrying Amount	+1% (100 basis points) Profit	-0.25% (25 basis points) Loss
	\$	\$	\$
Cash Assets	62,812	628	(157)

(f) Other Price Risks

The branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The branch is not directly exposed to foreign exchange rate risk.

11. SUPERANNUATION

All employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

12. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:

Level 1,
741 George Street
Sydney NSW 2000

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009 (Cont'd)**

13. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Income Statement under Salaries – Office Bearers.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials was \$28,597 (2008: \$31,067).
- (c) There have been no other transactions between the officers and the branch other than those relating to their membership of the branch and the reimbursement by the branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) The names of persons who have at any time during the financial year ending 31 March 2009 been members of the CEPU T & S NSW Branch Committee of Management are as follows:

Executive:

Branch President: Lloyd Harris
Branch Vice Presidents (technical): Glenn Falls and Lee Walkington
Branch Vice President (operator): (VACANT)
Branch Secretary: Ian McCarthy
Branch Assistant Secretary: Vivette Horrex

Operator Division:

Colleen Crilley
Mona Rababeh
Louise Wilson

Technical Division:

Peter Banner
Randall Bye
Colin Cooper
John Duffey
Peter Hayes
Rod Inglis (until 16 August 2008)
Alex Jansen
Les Tapuska
Jeremy Wheeler

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

INDEPENDENT AUDIT REPORT

To the members of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch.

We have audited the accompanying financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch, which comprises the balance sheet as at 31 March 2009, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Branch Committee of Management's statement.

Responsibility of the Branch Committee of Management and Secretary of the Branch

The Branch Committee of Management and the Secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee of Management and the Secretary of the Branch, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**COMMUNICATIONS ELECTRICAL ELECTRONIC ENERGY INFORMATION
POSTAL PLUMBING & ALLIED SERVICES UNION OF AUSTRALIA**

COMMUNICATIONS DIVISION

NEW SOUTH WALES TELECOMMUNICATIONS AND SERVICES BRANCH

INDEPENDENT AUDIT REPORT (Cont'd)

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

Auditor's Opinion

In our opinion the general purpose financial report of Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing & Allied Services Union of Australia, Communications Division, New South Wales Telecommunications and Services Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.

A J Williams & Co

David McLean CA

Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

September 2009